

Office of the
Legislative Fiscal Analyst

FY 2002 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Utah Department of Administrative Services
Office of State Debt Collection

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

1.0 Summary: Office of State Debt Collection

Senate Bill 235 of the 1995 Legislative Session established the Office of State Debt Collection. The office manages collection for past due debts to the State and has the following responsibilities:

- ◆ Collecting and managing state receivables;
- ◆ Developing consistent policies governing the collection and management of state receivables;
- ◆ Overseeing and monitoring state receivables;
- ◆ Developing policies, procedures and guidelines for accounting, reporting, and collecting monies owed to the State;
- ◆ Providing information, training, and technical assistance to state agencies on collection-related topics;
- ◆ Writing an inclusive receivables management and collection manual for use of state agencies;
- ◆ Preparing quarterly and annual reports of the State's receivables;
- ◆ Creating/coordinating a state accounts receivable database, information systems, and procedures;
- ◆ Establishing an automated case receipt process between state agencies;
- ◆ Establishing procedures for writing-off accounts receivable for accounting and collections purposes.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	176,700	(176,700)	
Total	<u>\$176,700</u>	<u>(\$176,700)</u>	<u>\$0</u>
Programs			
Statewide Debt Collection	176,700	(176,700)	
Total	<u>\$176,700</u>	<u>(\$176,700)</u>	<u>\$0</u>
FTE/Other			
Total FTE	2	(2)	

2.0 Issues: Office of State Debt Collection

2.1 Potential Conversion of OSDC to an Internal Service Fund

The Office of State Debt Collection is partially funded with an appropriation from the General Fund. In Fiscal Year 1999, OSDC's retained earnings exceeded \$190,000. The Division continues to generate revenue in excess of expenses and no longer needs an appropriation from the General Fund to continue operating. Therefore, the Analyst recommends that Dedicated Credits be the sole source of funding for the Office.

General Fund (\$176,700)

2.2 Annual Report

Each year the Office of State Debt Collection provides an annual report to the Legislature. Beginning this year, the report will be available online at <http://www.das.state.ut.us>. A hard copy is provided at the end of this recommendation.

3.0 Programs: Statewide Debt Collection

3.1 Statewide Debt Collection

Recommendation

From its inception, the Office of State Debt Collection functioned as a quasi-internal service fund. Its primary revenue stream came from Dedicated Credits, but the budget is subsidized with General Fund money. In Fiscal Year 1999, OSDC's retained earnings exceeded its General Fund appropriation. OSDC continues to generate Dedicated Credits in excess of expenses and will have more than \$250,000 in retained earnings at the end of Fiscal Year 2001 in spite of the transfer of two employees to the internal service fund budget.

	2000 Actual	2001 Estimated	2002 Analyst	Est/Analyst Difference
Financing				
General Fund	179,400			
Transfers		(49,300)		49,300
Beginning Nonlapsing	40,700	49,300		(49,300)
Closing Nonlapsing	(49,300)			
Total	<u>\$170,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Personal Services	156,100			
Out of State Travel	300			
Current Expense	8,100			
DP Current Expense	5,900			
DP Capital Outlay	400			
Total	<u>\$170,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE/Other				

OSDC should operate as an internal service fund

The Analyst is recommending that the Office of State Debt Collection should become a permanent, full internal service fund. This recommendation, if accepted, will fund all OSDC operations from Dedicated Credits. OSDC generates Dedicated Credits through collections on past due debt owed to the state as described in the ISF section of this budget (Tab 23).

4.0 Tables: Office of State Debt Collection

	1998	1999	2000	2001	2002
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	169,500	175,000	179,400		
Transfers				(49,300)	
Beginning Nonlapsing	52,500	38,300	40,700	49,300	
Closing Nonlapsing	(38,300)	(40,700)	(49,300)		
Total	\$183,700	\$172,600	\$170,800	\$0	\$0
Programs					
Statewide Debt Collection	183,700	172,600	170,800		
Total	\$183,700	\$172,600	\$170,800	\$0	\$0
Expenditures					
Personal Services	146,800	155,700	156,100		
Out of State Travel		100	300		
Current Expense	7,500	5,700	8,100		
DP Current Expense	29,400	11,100	5,900		
DP Capital Outlay			400		
Total	\$183,700	\$172,600	\$170,800	\$0	\$0
FTE/Other					
Total FTE	2	2	2		